



April 15, 2015

Bjorn Miller
Contracting Officer
General Services Administration
Federal Acquisition Service
26 Federal Plaza, Room 21-100
New York, NY 10278

Dear Bjorn:

On behalf of the Coalition for Government Procurement's (the Coalition's) member firms, thank you for the opportunity to provide comments on the draft request for proposal (DRFP) for the Office of Personnel Management's (OPM's) Human Capital and Training Solutions (HCaTS) contract vehicle.

The Coalition is a non-profit association of firms selling commercial services and products to the Federal Government. Our members collectively account for approximately 70% of the sales generated through the GSA Multiple Award Schedules program as well as about half of the commercial item solutions purchased annually by the Federal Government. Coalition members include small, medium and large business concerns across the spectrum of training and human capital services that are included within the scope of HCaTS. The Coalition is proud to have worked with Government officials for over 35 years towards the mutual goal of common sense procurement programs that deliver best value for customer agencies and the American people.

The Coalition supports OPM's and GSA's efforts to create a government-wide contract vehicle that meets the needs of customer agencies seeking human capital and training solutions to support the Federal workforce. In order for HCaTS to be successful, it must be easy to use, include

a robust set of small, medium and large business concerns, and offer cost effective, integrated solutions to meet customer agency requirements. However, as our comments explain, the DRFP emphasizes form over function. The following comments are provided for your consideration.

Contract Duplication

The Coalition is concerned about the award of two separate sets of contracts (for both the Unrestricted and Small Business contracts) corresponding to Pool 1 NAICs and Pool 2 NAICs rather than a single set of integrated contracts covering both Pools. According to our conversations with GSA, the current structure results from an inability of the Federal Government to implement the regulatory and systems changes response to the Small Business Jobs Act of 2010.

The unintended consequence is unnecessary, costly contract duplication for small, medium and large business concerns. Here, the HCaTS DRFP contemplates the award of 80 separate contracts covering the two pools (40 awardees for each pool) rather than the award of 40 integrated contracts that include both pools on each awardee's contract. The duplicative contract structure resulting from the HCaTS DRFP will increase government and contractor administration and management costs; costs that will be borne by customer agencies and the American people.

The Coalition recommends that the HCaTS DRFP be restructured to provide for the award of a single set of integrated contracts covering both pools. In this case, during the initial contract period (the Coalition recommends a five year base), GSA and OPM should assign a single NAICs contract vehicle that best corresponds to the overall work to be performed. For example, the NAICs for the prior TMA contract could be used to ensure continuity of expectations for government and industry. Subsequently, for the option period (the Coalition recommends a five year option period), GSA and OPM assign/list the appropriate NAICs corresponding to the two Pools thereby allowing customer agencies to assign the appropriate NAICs to the work being performed under the task order over the course of the five year option period. This approach will reduce unnecessary, confusing and costly contract duplication. This approach will also increase ease of use and will promote more effective implementation of integrated solutions that meet customer agencies' needs. It will also allow for a sound, phased implementation of the regulations when the upgrades to the Federal Government's reporting systems have been made. Finally, it is consistent with the SBA's comments and observations regarding implementation of 13

CFR 121.402 governing the assignment of NAICs to contracts and task orders. At the time of implementation, the SBA noted that it would take several years to accomplish. Specifically SBA stated that “While the change in NAICS code assignments will improve the reliability of the data, leading to greater transparency, SBA acknowledges that these changes will require a significant planning and implementation effort... A change of this magnitude is expected to take as many as five years to fully implement across the myriad of interdependent government systems.”

Most importantly, it is critical that the end result provide for the capability of HCaTS to offer integrated solutions incorporating both human capital management and training as necessary and appropriate. The current pool structure with mandatory separate awards creates a significant risk that this result will not be achieved. If increasing opportunities for small and medium business is a concern, the above approach could be modified to allow for award of single contracts for both pools or for individual pools covering the two KSAs. Awardees of a single pool would be eligible to compete for task orders issued under that pool.

NAICs and the Evaluation Methodology

The Coalition opposes the NAICs code point scoring system for Relevant Experience Projects. The basic procurement purpose of NAICs is to determine an offeror’s size status not to evaluate the relative quality of proposals. Using the NAICs for evaluation purposes emphasizes form over function. It is merely a number crunching exercise that is dependent on the vagaries of past NAICs assignments to contracts across the Federal enterprise. Experience shows that assignment of NAICs to contracts is often an arbitrary, paperwork exercise reflecting agencies’ understanding of the process and its reporting needs. As such, the data on NAICs is not reliable for evaluation purposes. Although a NAICS Redetermination form has been included in Section J, we do not believe that it is appropriate to request contracting officers to reassign NAICS codes for purposes of a source selection evaluation under another procurement. In addition, use of NAICs in the evaluation presents the following challenges and/or anomalies:

- There are multiple NAICs well beyond those currently identified in the DRFP that have been assigned to work corresponding to the Knowledge, Skills and Abilities (KSAs) identified in Section C. As a result, offerors with work corresponding to the KSAs but assigned a NAICs outside the DRFP are at a disadvantage. Moreover, it limits access to

potentially relevant work that OPM should consider in seeking contractors that can best meet customer agency needs.

- Different NAICs were and have been assigned to the previous TMA contract and the current bridge contract than those listed in the DRFP. As a result, offerors who performed work directly corresponding to KSAs under OPM's prior contract vehicle are competitively compromised.
- Commercial work corresponding to the KSAs is at a disadvantage relative to work for the Federal Government. This disadvantage is reflected in the requirement to have the commercial customer address the applicable NAICs as part of the waiver form provided in the DRFP. It is an additional administrative burden tied to submission of commercial projects for evaluation purposes.
- Theoretically, accepting GSA and OPM's rationale that the NAICs listed in the DRFP reflect the work being performed more so than use of the KSAs amounts to double counting relevant experience in a manner that adds no true relative value to the evaluation of proposals.

The overarching goal of all procurements is to acquire the products, services and solutions to meet the needs of customer agencies and, ultimately, the American people. Section C of the HCaTS DRFP sets forth the KSAs that meet OPM and customer agency human capital and training solutions. It is in the best interests of OPM, customer agencies and the Federal workforce that the evaluation of relevant experience projects should focus on the KSAs and not include points based on applicable NAICs.

Performance

In order to communicate the durability of the HCaTS contract to agency customers and contractors, we suggest that it have a longer base period of 5 years with a 5 year option. The longer contract period would increase efficiency by reducing the administrative burden and costs for both the Government and HCaTS contractors associated with shorter contract periods. We also recommend that task order performance beyond the end of the contract be allowed.

H.19 of the DRFP states that HCaTS contractors that have not been awarded three task orders or a total task order estimated value of \$1.5 million may be off-ramped. Given the typical size of orders for HCaTS type work and the number of contractors under the future contract, we

do not agree that this approach is necessary. The Coalition recommends that in order to maximize competition over the life of the HCaTS contract, this language be removed from the final solicitation.

Systems and Certifications

The Coalition recommends that GSA reevaluate the systems and certifications included in the DRFP to ensure that they are relevant to contract performance under the future HCaTS vehicle. There are some included in the current draft that are not applicable to HCaTS type work, such as Earned Value Management System and ISO14001 certification for Environmental Management Systems. Rather than including them in the scoring at the master contract level and putting capable offerors that do not have these accreditations at a disadvantage, it would be more appropriate to allow agencies the option of requiring them at the task order level.

Further, in order to maximize competition, systems and certifications that are necessary to the performance of the contract should be considered matters of contract administration. They should not be evaluated subjectively for extra points during the final evaluation for award.

Key Personnel

The Coalition has similar comments concerning the additional credit allotted for contractor key personnel. The responsibilities outlined in G.2.6.1 and G.2.6.2 for the corporate HCaTS program manager and contract manager are reasonable and consistent with those of similar positions for other government-wide contracts. However the additional points given for certain certifications in Sections L and M are unique and will likely have negative unintended consequences if included at the master contract level. The concern is that personnel who have these certifications may not be the best contacts for managing HCaTS over the life of the contract. Experience managing government-wide contracts is much more relevant to contract performance and agency customer satisfaction. The additional points given for personnel with these certifications incentivize contractors to propose key personnel that maximize evaluation points versus proposing key personnel with significant experience with large multiple award IDIQs who are best suited to managing HCaTS.

The additional qualifications for key personnel may be more appropriate for a specific task. Therefore, we recommend that credit for CPLP, ISD, Six Sigma Black Belt, PMP, Coaching, Human Capital and HR, CPCM and ICCM-D & ICCM-F for key personnel be removed at the contract level and allow agencies the flexibility to add these requirements at the task order level.

Information Technology

Under the previous Training Management and Assistance (TMA) contract there was a lack of clarity about whether IT could be purchased as part of a solution under the contract. Under the HCaTS contract moving forward, it is important that both customer agencies and contractors are clear as to what IT is within the scope of HCaTS and what is not. The Coalition recommends that GSA make this clarification within the KSA descriptions, and include a definition of IT and the permissible scope in the final solicitation. It would also be helpful to include language that specifically addresses ancillary support as allowable costs that may be included within an individual task order under the HCaTS contract.

Commercial Past Performance

The Coalition appreciates GSA's efforts to allow credit for commercial past performance through the addition of the Past Performance Substitute Form in Section J. However, the DRFP still has barriers to the inclusion of commercial past performance due to the bureaucratic nature of the form. Offerors must have their commercial customers certify to the applicable NAICS code and assess their work in areas that do not necessarily apply to the commercial market. An example is "Utilization of small business" which references specific small business categories relevant to the Federal market. Further, the form does not include a description of the NAICS codes. As a result, HCaTS still favors government work largely because NAICS codes are driving the scope of the contract. Rather than requiring commercial customers to certify to specific NAICS codes, the Coalition recommends that past performance be tied to the KSAs in order to increase innovation and competition.

Other

1. *Subcontracting* – The DRFP awards points for past performance involving subcontracting/teaming with four or more separate or distinct entities. The evaluation of demonstrated experience managing 4 subcontractors puts those companies that can offer

agencies a total solution at a disadvantage. For HCaTS type work, it is unclear why the ability to manage multiple subcontractors would be preferable to the ability to offer a total solution. Therefore we suggest that this criteria be removed.

2. *FPRA/FPRR/Approved billing rates* – Credit is applied for Forward Pricing Rate Agreements (FPRA), Forward Pricing Rate Recommendations (FPRR), and/or Approved Billing, if applicable. However, these items are not scored equally. There are more points awarded for FPRAs vs. FPRRs - and further based on time of approval (for expired FPRAs or expired Approved Billing Rates). We recommend that GSA award one set of points for any current FPRA, FPRR, and/or Approved Billing Rates.
3. *Profit* – Recommend that HCaTS allow for a profit rate up to 10 percent consistent with the FAR as an incentive for industry. A lower cap of 7 percent could have the unintended consequence of incentivizing vendors to promote use of competing contracts in cases where the 7 percent cap is unrealistic.
4. *Amendments to Final RFP* – Once the final RFP for HCaTS is released, the Coalition requests that all amendments specify the changes to the solicitation as a result. Contractors report that it was extremely challenging to manage all of the electronic amendments for OASIS. Improved organization in this process will help to control contractors' bid and proposal costs in response to the HCaTS solicitation.

Again, the Coalition appreciates GSA and OPM's openness to industry feedback during the development of the HCaTS contract vehicle. If there are any questions, please contact me at (202) 331-0975 or rwaldron@thecgp.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Roger Waldron', with a long horizontal flourish extending to the right.

Roger Waldron

President

Attachment 1

Questions

1. What will the process be to respond to solicitations under the HCaTS contract? Will vendors only be able to respond to task orders released within their awarded Pool or will they be eligible to respond in other Pools? Will the process be the same under the HCaTS Unrestricted and HCaTS Small Business contracts?
2. What is the estimated dollar volume for the HCaTS contract?
3. What is the average project value and length of performance under the previous TMA contract?
4. What existing contracts do GSA and OPM plan to include in the scope of the HCaTS contract? What agencies that currently have their own contracts within the scope of this contract have committed to using HCaTS in the future versus their own?
5. Can Contractor Key Personnel be the same for each pool (for a total of 2) or are different contacts required per pool (for a total of 4 key personnel)?
6. HCaTS type work is intellectually driven. Is B.3.1 where GSA anticipates labor categories that reflect the level of expertise needed to perform high-level human capital programs, e.g. PhDs in industrial/organizational psychology and M.A./M.Eds in instructional design?
7. Why are points awarded if the relevant experience project is inclusive of cost-reimbursement (but not T&M)?
8. What fees will apply under HCaTS?